Removal of foreign exchange curbs

2575. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether the Finance Secretary, in a press conference on February 28, 1993, had indicated removal of Foreign Exchange curbs in a phased manner; and

(b) if so, what Forex curbs and regulations are contemplated to be removed and what is the schedule envisaged for removal thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Review of rules and regulations under FERA is a continuous process. A Bill proposing several amendments has already been introduced in the Lok Sabha on 10th March, 1993.

FERA violations by D'Silva Export Private Limited

2576. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Directors of M/s. D'silva Exports Private Limited, Nagoa, Verna, Salcette, Goa, have violated the provisions of the Foreign Exchange Regulations Act during the last three years by having account in foreign banks;

(b) if so, whether Government have initiated any action against the company and their Directors; and

(c) if so, what are the detail thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) and (c) Do not arise.

Proposal for Unified stocok exchange

2577. SHRI MATANG SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the International Finance Corporation has recommended a single unified stock exchange integrating all exchanges in the country and strengthening independence of the Securities and Exchange Board of India (SEBI);

(b) if so, what are the details of the proposal;

(c) what is the reaction of Government thereof; and

(d) details of the action proposed in this regard alongwith other reforms for strengtening the stock exchange operations in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The International Finance Corporation has, on the basis of a survey of the Indian Capital Markets, prepared a draft report. The draft report has recommended the concept of an integrated national stock market system and strengthening of SEBI. The concept suggested envisages National Stock Market Council, with Regional Exchanges, National Exchange and Over the Counter Exchange of India (OTCEI). The National stock Market System has been recommended to meet the needs of large, smaller and regional companies and private and public sector debt. The IFC has also recommended that SEBI's senior management should be strengthened and that SEBI should as far as possible be the single regualtory voice for securities issuance and trading.

(c) The Government takes into consideration our own experience, international experience and various

studies on the subject including that of draft report of oIFC while formulating broad policy framework for development of the capital market. All the recommendations of IFC are thus kept in view in deciding on various issues relating to capital market reforms.

(d) Decisions to establish a new Stock Exchange to act as a model Exchange with modern telecommunication facilities and for providing access to investors from all over the country, a National Clearing and Settlement System with a Central Depository, and net working among the Stock Exchanges were announced by the Finance Minister in Parliament on 8th July,1992. The Finance Minister had also announced in his Budget Speech for 1992-93 that additional powers would be given to SEBI to strengthen its capability This has been reiteractd in the Finance Minister's Budget Speech for 1993-94.

Entry of foreign banks

2578. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the policy followed by the Reserve Bank of India in permitting the entry of foreign banks in the coutnry has been selective, so far; and

(b) if so, what are the details thereof during the last five years till date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Permission to foreign banks for opening branches in India is granted by the Reserve Bank of India (RBI) in terms of the provisions of the Banking Regulation Act, 1949. While granting such permission to foreign banks, RBI take into consideration among other things the following factors:—

(i) The international standing of the applicant bank and its financial position.

(ii) The trade and economic relationship between the country of origin of the applicant bank and India.

The existing policy with regard to entry of foreign banks continue to be selective.

(b) During last 5 years, four foreign banks opened one branch each and 12 foreign banks opened one representative office each.

Income tax concessions available to Institutions

2579. SHRI IQBAL SINGH:
DR. SHRIKANT RAMACHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) the names of the institutions in Vidarbha region of Maharashtra to whom the concession under Section 80 G of Income Tax Act is available as on the 1st March, 1993;

(b) the total amount of deduction claimed on this account by donation to such institutions during the last three years; and

(c) the number of applications pending as on the 1st March, 1993 for request of such concessions?

THE MINISTER OF STATE IN THE MNISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) 347 institutions in Vidarbha region of Maharashtra were approved under Section 80 G of the Income Tax act as on 1.3.1993. The list containing names of these institutions is enclosed. (See Appendix CLXVI, Annexure No. 47)

(b) The Income-tax Department does not compile the information regarding deduction claimed donors on